

WEEKLY FINANCIAL MARKET REVIEW

13th – 17th October 2025

NIGERIA ECONOMIC DASHBOARD

Current

Previous

	Current	Previous	
01 Brent crude (\$/pb)	\$61.17	\$62.77	▼
02 NAFEM Rate (N/\$)	\$1,471.00	\$1,458.00	▲
03 Inflation	18.02%	20.12%	▼
04 GDP growth	4.23%	3.13%	▲
05 MPR	27.00%	27.50%	▼
06 NGX cap (N'trn)	94.56	93.30	▲
07 External Debt size (\$'bn)	46.98	45.98	▲
08 Ext. reserves (\$'bn)	42.68	42.58	▲
09 Unemployment	4.30%	5.30%	▼

GLOBAL ECONOMY & MARKETS



US: Budget deficit narrows slightly as tariff revenue and debt cost surge

- The U.S. federal budget deficit for fiscal year 2025 edged down to \$1.775 trillion, a 2 % reduction from the prior year, bolstered by a record \$195 billion in customs duties driven by elevated tariffs. Following this, federal revenues rose to \$5.24 trillion, while total expenditures climbed to \$7.01 trillion, reflecting continued growth in mandatory spending and interest obligations. Debt servicing costs reached an unprecedented \$1.216 trillion, underscoring the mounting fiscal burden from higher rates and sustained borrowing as total U.S. public debt soared to nearly \$38 trillion.
- Despite the marginal deficit improvement, analysts warn that the fiscal outlook remains fragile, as structural imbalances between revenue and expenditure persist suggesting that without policy reform, short-term gains may be outweighed by long-term sustainability risks.

Europe: UK labor market softens as growth momentum remains fragile

- The unemployment rate in the UK rose to 4.8% in the three months to August 2025, slightly above expectations and marking its highest level since mid-2021. The increase reflected more people unemployed employed for shorter and longer durations, even as employment rose by 91,000 to 34.2 million, driven largely by part-time roles and older workers rejoining the labor force. The economic inactivity rate remained broadly unchanged at 21.0%, indicating that the participation recovery is still fragile. Meanwhile, real GDP inched up by 0.1% in August after a slight dip in July, supported by a rebound in manufacturing, utilities, and waste management.
- However, the services sector which is a significant portion of the UK's output showed no growth for the second month in a row, with declines in retail, transport, and entertainment dragging the overall output. Construction activity also weakened, falling 0.3% due to weaker repair and maintenance works. Overall, the data suggests that while parts of the economy are showing signs of resilience, growth remains uneven, with underlying weakness in key service industries continuing to weigh on broader recovery prospects.

Asia: China's Consumer Prices Fall Further in September

- China's consumer prices fell by 0.3% year-on-year in September 2025, a sharper decline than markets 0.1% decline but slightly less than a 0.4% fall in the previous month. The drop was mainly driven by a 4.4% fall in food prices, noted to be the steepest since January 2024 amid abundant pork supply, lower production costs, and sluggish demand ahead of the Golden Week holidays. Meanwhile, non-food inflation edged up to 0.7%, supported by modest increases in housing, healthcare, and education costs, helped by government trade-in programs to stimulate spending. Core inflation, which excludes food and energy, rose 1.0%, its highest in nearly two years, suggesting some resilience in underlying demand.
- On a monthly basis, consumer prices inched up 0.1%, falling short of expectations. As China struggles to revive household consumption, the case for continued policy support to stabilize prices and bolster economic recovery remains eminent.

Africa: Ghana's economic growth moderates amid industrial slowdown

- Ghana's economy expanded by 4.5% year-on-year in July 2025, according to the Ghana Statistical Service marking a moderation from 8.3% recorded in the same period last year. The slowdown reflects a mix of sectoral shifts, with the services sector maintaining robust momentum at 6.4%, up from 4.5% a year earlier, and agriculture rebounding strongly with 8% growth compared to 2.4% in July 2024 driven by higher crop and livestock output, which contributed 37.1% to total growth. In contrast, industrial performance slumped to just 0.1% from 17.7% in the previous year, signaling deflationary pressures and weaker production activity.
- The newly launched Monthly Indicator of Economic Growth (MIEG), designed to provide a high-frequency gauge of economic performance, underscores an uneven recovery where resilient services and agricultural expansion offset industrial weakness, pointing to a cautious but steady growth trajectory in the months ahead.

US Market

- For the week, the major U.S. indexes closed mixed, as traders digested the U.S.' softening tone on its trade talks with China and tried to move past credit concerns that sparked a big sell-off in regional banks Thursday. The S&P 500 was up by 1.70% to close at 6,664.01, the blue-chip Dow Jones Industrial Average was up by 1.56% to close at 46,190.61, while the tech-heavy Nasdaq Composite fell by -6.37% to close the week at 22,679.98.
- Stocks extended their gains at the end of the week after Treasury Secretary Scott Bessent said he would be speaking with his Chinese trade counterpart Friday evening. Trump also said from the White House that a meeting with China President Xi Jinping was still likely at the end of the month. The comments suggested the threat of 100% additional tariffs against China on Nov. 1 might not come to pass.
- The U.S. dollar was set for a weekly loss against major currencies on Friday, as concern about trade tensions and signs of growing risk in regional American banks drove investors into safe-haven currencies like the Swiss franc and the yen. The U.S. federal government shutdown has also choked off the release of key macroeconomic data, leaving investors with less certainty than usual about what is happening in the economy.

European Market

- Stocks listed in Europe dropped week on week as concerns over the banking sector reached the region. It comes as spillover from the U.S. banking sector hit European stocks on Friday, with the Stoxx Europe 600 Banks Index ending the session around 2.5% lower, paring deeper losses seen earlier in the session.
- On a week-on-week basis, the U.K.'s FTSE 100 lost -0.77% to settle at 9,354.57, Germany's DAX fell by -1.69% to close at 23,830.99, France's CAC 40 gained 3.24% to close at 8,174.20 and the pan-European Stoxx 600 index also closed in the green by 0.37% to 566.24.
- The bankruptcy of two auto-related firms, Tricolor and First Brands, were among the first to spark fears in the private credit market. Jefferies and UBS were both exposed to First Brands' demise, with \$715 million and \$500 million at risk, respectively, as the firm's demise exposed a maze of complex debt agreements held with a range of lenders and investment funds globally. Elsewhere in the banking sector, Spanish bank BBVA's attempted hostile takeover of Sabadell failed on Thursday, when it failed to convince shareholders to back the 16.32-million-euro (\$19.1 million) bid.
- Defense stocks are also in the spotlight after it was announced that U.S. President Donald Trump and Russian President Vladimir Putin will be meeting in Hungary to discuss the ongoing war in Ukraine.

Asian Market

- Asian stocks closed mixed week on week. Hong Kong's Hang Seng Index fell by -3.97% and closed at 25,247.10, the Kospi index was up by 3.83% to close at 3,748.89 and Japan's Nikkei 225 lost -1.05% to settle at 47,582.15. The Topix fell by -0.85% to close at 3,170.44.
- U.S. President Donald Trump said his proposed 100% tariff on goods from China would not be sustainable, but blamed Beijing for the latest impasse in trade talks that began with Chinese authorities tightening control over rare earth exports. Trump also confirmed he would meet with Chinese President Xi Jinping in two weeks in South Korea in an attempt to ease trade tensions.

DOMESTIC ECONOMY & MARKETS



Nigeria's drops to 18.02% in September 2025

- The latest Consumer Price Index (CPI) report released by the National Bureau of Statistics (NBS) shows that Nigeria's year-on-year inflation fell below the 20% mark to 18.02% in September 2025, the lowest level since July 2022. On a month-on-month (MoM) basis, the headline inflation rate stood at 0.72%, reflecting a moderation in price increases across key sectors. This indicates that the average prices of goods and services are rising at a slower pace across all consumption categories.
- The moderation in inflation was primarily driven by a sharp drop in food prices which dropped sharply by 500 basis points (bps) to settle at 16.87 year-on-year, and partly due to the CPI rebasing exercise conducted earlier in the year. Additional drivers of the slowdown include a sustained decline in several key sub-indices on a month-on-month basis. The energy component (monthly inflation) stood at -0.47% in September translating to lower transportation costs, as rate moderated from 2.60% to 0.90%. The food and non-alcoholic beverages rate also eased from 0.58% to 0.15%. Conversely, the services sub-index climbed by 51bps to 1.17%, while imported food inflation rose by 210bps to 3.38%, despite a relatively stable exchange rate in the official market, averaging ₦1,498.38/\$1 compared to ₦1,535.25/\$1 in August.
- Notably, the food inflation basket experienced deflation on a month-on-month basis, printing at -1.57% compared to 1.65% in August. This was primarily driven by the early harvest season, which boosted the supply of agricultural produce and consequently led to lower food prices. According to the NBS, the decline was most pronounced in the average prices of maize (corn) grains, garri, beans, millet, potatoes, onions, eggs, tomatoes, and fresh pepper, among others. This is the first time Nigeria is recording food price deflation since February 2012.

Nigeria's oil output falls to 1.39 million bpd in September

- Nigeria's crude oil production declined to 1.39 million barrels per day (bpd) in September 2025, marking a second consecutive month of reduced output. This is according to data from the latest Monthly Oil Market Report (MOMR) released by the Organization of the Petroleum Exporting Countries (OPEC). This current output level represents a decrease from 1.434 million bpd recorded in August 2025 and is also the lowest in seven months so far in 2025 which is below Nigeria's OPEC allocation of about 1.5 million bpd for the month.
- OPEC stated that the production figures were obtained through direct communication with the Nigerian Upstream Petroleum Regulatory Commission (NUPRC). The NUPRC had reported that Nigeria's crude oil and condensate production dropped to an average of 1.581 million bpd in September 2025. According to the commission, the total consisted of 1.39 million bpd of crude oil and 191,373 bpd of condensates. The NUPRC attributed the decline primarily to the three-day industrial action embarked upon by the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN) during the month. The strike action led to the shutdown of several production and export facilities, disrupting output and export schedules.

IMF revises Nigeria's growth to 3.9% projects 4.2% for 2026

- The International Monetary Fund (IMF) has raised Nigeria's economic growth forecast for 2025 to 3.9%, this represents a 0.5% increase from its earlier projection. The Fund attributed the improved outlook to stronger macroeconomic stability, rising investor confidence, and increased oil output. For 2026, the IMF projects Nigeria's growth to further strengthen to 4.2%, reflecting a 0.9% improvement from its previous forecast.
- The updated figures, contained in the IMF's latest World Economic Outlook titled Global Economy in Flux signals renewed optimism about the country's medium-term economic prospects. The Fund said the revision reflects reduced domestic uncertainty and Nigeria's limited exposure to the new tariffs imposed by the United States, which have had minimal impact due to the country's modest trade links with the U.S.
- According to the IMF, the Nigerian economy has shown notable resilience in recent months. It was observed that the exchange rate has appreciated, financial conditions have improved, and investor sentiment has strengthened since July. It explained that the adjustment followed the recent rebasing of Nigeria's Gross Domestic Product (GDP), which now captures a wider range of economic activities, including those within the informal sector.

Money Market

- In the review week, system liquidity remained on the positive side of things, kicking off the week with a net positive balance of ₦2.03 trillion. The system was hit with OMO and primary market maturities during the week, further increasing liquidity level. Consequently, banks utilized the Standing Deposit Facility (SDF) to reroute excess cash to the Central Bank of Nigeria (CBN). At the end of the week, liquidity levels stood at ₦1.8 trillion, reflecting reduced liquidity within the system. The Open Buy Back (OBB) rate after over two weeks of being flat, gained slightly and closed at 24.54% (+4 bps). The Overnight (O/N) rate also rose by 10 basis points to settle at 25.07% for the week.
- The Treasury Bills secondary market extended its bullish run from the previous week however at a reduced momentum. As a result, the average benchmark yield shed 2.33 basis points by the end of the week, to settle at 17.37%, compared to 17.39%, from the previous week.
- In a change of trend, the OMO secondary market traded on a bearish note for the week. At the end of the week, the average benchmark yield had gained 76.14 basis points, settling at 21.22% in contrast to 20.46% recorded in the prior week.

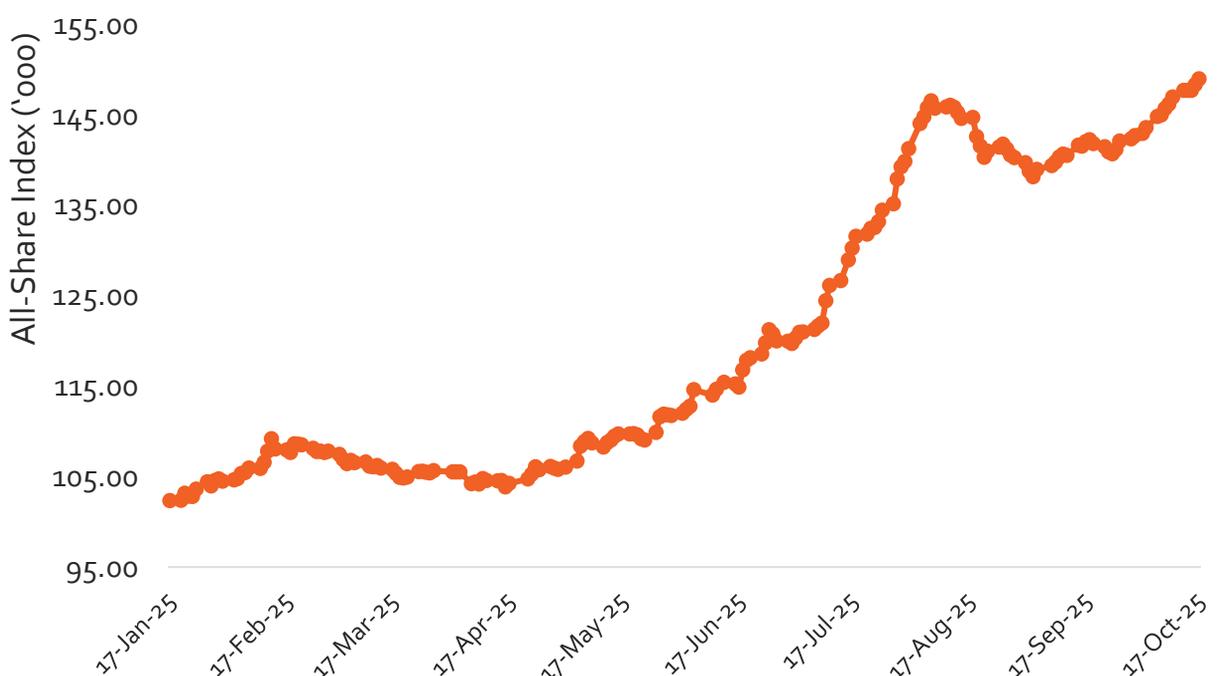
Fixed Income Market

- The secondary bond market traded calmly during the week, with moderate activity, while sustaining the bullish momentum from the prior week. Consequently, the average benchmark yield dipped slightly by 2 basis points to settle at 15.82% in contrast to 15.84% in the preceding week.
- Activity across the curve was moderate as short-term bonds closed at 16.05% (-2bps), while mid-term instruments closed at 15.920 (-2bps) and long-term instruments closed at 15.56% (-2bps).

The Equities Market

- The Nigerian equities market sustained its bullish momentum this week, as the NGX All-Share Index advanced by 1.35% to close at 148,977.64 points, while market capitalization rose to ₦94.56 trillion. The positive sentiment was driven by buying interest across key sectors, reflecting sustained investor confidence in the market.
- Market breadth closed positive as fifty-two (52) equities appreciated in price during the week, higher than fifty-one (51) recorded in the previous week. Conversely, forty-one (41) equities depreciated, unchanged from the previous week, while fifty-three (53) equities remained unchanged, lower than fifty-five (55) recorded in the prior week.
- A total turnover of 2.422 billion shares worth ₦76.62 billion in 126,591 deals was traded this week by investors on the floor of the Exchange, compared to 2.286 billion shares valued at ₦90.28 billion that exchanged hands last week in 138,177 deals.
- Sectoral performance was largely positive, with the Industrial Goods (+2.79%) index leading the gainers' chart, followed by Insurance (+2.56%), Consumer Goods (+1.93%), and Oil & Gas (+0.04%). On the downside, the Banking (0.13%) sector was the only laggard, reflecting mild profit-taking among tier-one lenders.
- On the price performance chart, SOVRENINS led the gainers' table, rallying by +11.21%, followed closely by ROYALEX (+11.11%) and EUNISELL (+10.00%). On the other hand, TRIPPLEG topped the losers' list, shedding -18.84%, while ACADEMY (-17.92%) and REGENCY (-13.94%) also recorded notable declines.

NGX All Share Index - YTD



Source: NGX, Norrenberger Research

ISLAMIC FINANCE



Global Islamic finance assets projected to reach \$9.7 trillion by 2029 – London Stock Exchange Group (LSEG)

- Global Islamic finance assets are projected to grow by an average of 10% annually, reaching about \$9.7 trillion by 2029, according to estimates by the London Stock Exchange Group (LSEG) and the Islamic Corporation for the Development of the Private Sector (ICD) released in October 2025.
- Malaysia maintained its leading position in the Islamic Finance Development Rankings, based on an index prepared by LSEG and ICD. In 2024, Islamic financing accounted for over 46% of Malaysia's total financing, while its takaful sector represented nearly 24% of total industry premiums. The country also accounted for 36% of global outstanding sukuk, further solidifying its leadership position.
- Globally, the sukuk market reached \$1 trillion outstanding in 2024, marking an 11% year-on-year increase to \$254.3 billion in issuances. The ESG sukuk segment also continued to expand, surpassing \$50 billion in total value, supported by \$15.4 billion in new deals during 2024. Following Malaysia, Saudi Arabia and the United Arab Emirates ranked next, while Indonesia and Pakistan rounded out the top five.

NGX Lotus Islamic Index gains 2.13%

- The NGX Lotus Islamic Index posted a notable weekly gain of 2.13%, having opened at 12,355.16 points and closed at 12,618.11 points. The positive performance was primarily driven by significant gains in key constituents, notably NAHCO (+0.05%), DANGCEM (0.04%), WAPCO (0.04%), BUAFOODS (0.03%), MTNN (0.01%), NASCON (0.01%) and BUACEMENT (0.01%).

Sukuk trading report for the week

- A total of 30 deals were executed in the sukuk market via the floor of the exchange this week, in comparison to the 21 deals that were reported last week. A total of 433,092 units were traded, with a total value of N365.38 million, in contrast to the 965,618 units valued at N863.82 million transacted last week.
- The FGSUK2027S3 emerged as the most traded sukuk, having 15 deals executed, a volume of 399,636 units traded and a value of N332.96 million.

CURRENCY & ENERGY MARKETS



Currency Market

	17-Oct-25	10-Oct-25	W-o-W%
NAFEM (N/\$)	1,471.00	1,458.00	-0.88%
Parallel Market (N/\$)	1,491.00	1,485.00	-0.40%

- The naira recorded mild losses across both official and parallel markets in the week ended. At the Nigerian Autonomous Foreign Exchange Market (NAFEM), the currency weakened by 0.88% week-on-week to ₦1,471/\$1, compared to ₦1,458/\$1 the previous week. Similarly, in the parallel market, the naira declined by 0.40%, closing at ₦1,491/\$1 versus ₦1,485/\$1 earlier.
- Despite these mild depreciations, foreign reserves have remained relatively firm at \$42.7 billion, supported by regular inflows. This has helped cushion the naira from sharper losses, even as underlying demand pressures persist. Persistent demand pressures and tight liquidity conditions remain key factors affecting short-term currency stability. Overall, the naira's recent performance suggests a fragile landscape, with market direction largely dependent on the balance between FX supply and fiscal support in the coming weeks.

Commodities & Energy Market

Items	Gold (\$/t.oz)	Silver (\$/t.oz)	Coal (\$/T)	Cocoa (\$/T)	Soybeans (\$/Bu)
Weekly Performance (%)	+5.77%	+3.02%	+0.10%	+1.33%	+1.43

Crude oil prices drop 6%, brent below \$62 per barrel

- Global crude oil prices, tracked by Brent, have dropped more than 6% so far in October, deepening year-to-date decline to over 17% in 2025. Oil, which began the year around \$74 per barrel, now struggles at \$62 as it tries to hold above the \$60 mark. Analysts point to trade tensions between the United States and China, along with uncertainty surrounding U.S. economic policies, as major factors behind the decline. Adding to the pressure are expectations that the U.S. Federal Reserve will cut interest rates twice more before the end of the year, following an earlier 0.25% reduction.

Gold poised for its strongest week in 5 years

- Gold climbed to around \$4,340 per ounce on Friday, moving back toward the record it set earlier and on track for its strongest weekly gain since March 2020, as investors sought safety amid heightened economic uncertainties.
- The bullion repeatedly hit new highs this week, driven by renewed US–China trade tensions. Gold has surged more than 60% this year, fueled by expectations of US rate cuts, the ongoing government shutdown, geopolitical tensions, and strong demand for safe-haven assets



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